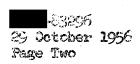
Document No. Approved For Registration 200 (101129 : CIA OAU02000220006-1 Declaration AIR . Class Champau 18: TS 8/C 25X1A6c Clari Review Date: 29 October 1956 Auth.: HR 70-8 OT 25**X**1A6b FROM Chief of Station, INFO: 25X1A6a SUBJECT: General: Administrative Specific: Financial Property Accounting and Property Authorization Control ACTION REQUIRED : That the question as to the application of FPA and PAC to 25**X**1A6b the Station be brought to the personal attention of the Chilef, 25X1A2a 25X11A6c REF: 82150 A. B. 30541 Reference A represents a most sincere and considered appeal from the 25**∦**1A6b Station for a thorough restudy of the pros and cons of FFA and the proposal to extend the system to include a Property Authorization Control system. This appeal was based on the collective experience and judgment of Station personnel, some of whom are relatively recent arrivals who understand the so-called Headquarters viewpoint and others who have worked diligently with FPA for many months. In view of this belanced consensus, the station believes that this 25X1A6a is the time (before any supplemental procedures are added to FPA in the form of a Property Authorization Control system) for a considered restudy of the entire proposal. 2. This follow-up dispatch is being written because two recent events have raised doubts in our mind as to whether our request will receive the objective study which we feel is necessary to reach a proper determination. The first event presented us with draft copies of a revised Handbook on Finan-25**X**1A2e occurred when cial Property Accounting Procedures with a request that we review it and comment thereon prior to his return to Headquarters. With respect to the revised Handbook, we can only agree that it clarifies and simplifies some of the technical procedures, but must add that it does not materially reduce the volume of work imposed on the Station nor does it demonstrate an enlightened view with respect to 25**X**1A2e its application within the Station. The second event was the arrival of Reference B which, in paragraphs 5 and 8, indicates that the writer takes for granted the continuation and expension of FPA at the f25X1A installation of the Property Authorization Control system as well. 3. We do not know, of course, whether the Director of Logistics and the Comptroller are aware of our request for a full-scale review, whether a review has already been made and a determination reached against our position, or whether the review has not yet been commenced. In any event, reflection upon the nature of 25**X**1A6c the problem, a review of 82150, and reflection upon the normal staffing flow

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of Headquarters leads us to believe that we may not have been successful in establishing this matter as a problem involving policies and considerations which completely transcend the purely inchained accounting and property aspects thereof.

4. In order to emphasize come of the Labrada issues involved, we will again summarize below some of one basis objections to FAA and PAC:

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- (a) The Station has already stabilished the WHARK property accountability system, we have pateed property records, and can furnish informational reports adequate to all procitical needs. The imposition of a secondary control and informational cycles is ensentially unnecessary.
- (b) The argument that some projects have historically vestly exceeded their authorized scope and magnitude due to lack of a Property Authorization Control system is not, in our opinion, a valid one for the imposition of the PAC system contemplated. Projects with significant property requirements are numerically insignificant and a simple system to control such projects is cardenly feasible.

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- (c) The Station is not a significant cog in the KUBARK world-wide supply system. Its supply function relates almost exclusively to its own operations which are of a nature which neither warrants nor justifies such elaborate property and financial controls.
- (d) Based upon the one-year experience of the Station with FPA procedures, the expenditure of manpower on this effort is in such disproportion to the benefits derived as to constitute violation of KUBARK management and manpower utilization policies.
- (e) It is extremely doubtful if FPA and PAC can ever be applied to all Class A Bases in the field. We see little merit, therefore, in its spotty implementation at isolated points in the world.
- (f) FPA and PAC will require an expansion of administrative machinery which is diametrically opposed to the present decentralization program of the Station and the contraction program which must at least be planned for in the absence of any forseeable implementation date.
- (g) The FPA and PAC systems are so technical and complicated that only persons specially trained in their comprehension and application could put them into effect. Attention is called to the fact that the Handbook of instructions for FPA is more wordy, bulky, and technically complicated than the total Handbook on Class A Station Accounting and Reporting Procedures. We submit, therefore, that although the systems



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CONFIDENTIAL 83296
29 October 1956
Page Three

25X1A6c

represent a fine piece of technical procedure, many weeks of training and overtime work would be necessary to install the system.

- 5. We recognize that, within the normal staffing pattern of Headquarters, administrative matters such as this would normally be considered largely by the Chiefs of the technical components concerned. In this case we believe non-technical considerations, such as work simplification policies, manpower conservation policies, and the maintenance of balance between optimum operational effectiveness and optimum administrative control, completely transcend the purely technical considerations.
- 6. It is for these reasons that we make the specific suggestion that the juxtapositions of Headquarters and the Station be brought to the personal 25X1A6a attention of the Chief. upon his return to Headquarters. This seems 25X1A2g and policy questions we raise but because his current trip to a somewhat analagous operational area has probably given him first-hand information on this particular subject.
- 7. A final point may be in order-to explain our persistent claims that additional, and perhaps more highly-trained, personnel will be required to fully implement FPA and PAC.
- 25X1A2g property managed by and and will require additional Finance personnel.

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- (b) The establishment of PAC will undoubtedly require still additional personnel in a number which cannot be accurately forecast.
- 8. In winding this up, we again might point out that our entire trend is to eliminate any supply depot function from the Station. Most of our equip- 25X1A6a ment is overhead property in use under tight controls, and other supplies are largely expendable. In the latter area, most procurement is effected locally and is being handled on a hand-to-mouth basis. We are currently taking inventories of ordinance material with a view toward reducing our stocks to absolute minimum requirements. In the longer-range point of view, we are currently planning for the withdrawal of and the drastic curtailment of the operations, 25X1C4a facilities, and personnel of the Station. We believe all of these factors 25X1A6a

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Approved For Release 2001/07/28 : CIA-RDP78-04718A002000220006-1



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9. We stand ready to provide any desired information regarding the makeup of current property inventories, amagewer hours expanded on FFA, and current procurement policies and practices.

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